

2007 DRAFTING REQUEST

Bill

Received: **12/03/2007**

Received By: **jkreye**

Wanted: **Soon**

Identical to LRB:

For: **Pat Kreitlow (608) 266-7511**

By/Representing: **jeff**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Business - credits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Kreitlow@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Reallocating airport development zone and technology zone tax credits

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							State
/1	jkreye 12/04/2007	wjackson 12/05/2007	jfrantze 12/06/2007		mbarman 12/06/2007		State
	jkreye 12/06/2007	wjackson 12/06/2007					
/2	jkreye 01/02/2008	wjackson 01/02/2008	nnatzke 12/06/2007		cduerst 12/06/2007		State

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/3	jkreye 01/07/2008	wjackson 01/08/2008	pgreensl 01/03/2008		lparisi 01/03/2008		State
/4			jfrantze 01/08/2008		lparisi 01/08/2008	sbasford 02/04/2008	

FE Sent For:

at
intro

<END>

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1/31

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/3		1/4 WJ 1/8	pgreensl 01/03/2008	_____	lparisi 01/03/2008		
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13 wj 1/2
1/3
P8 m

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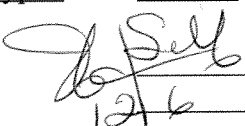
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/?	jkreye	1 wlj 12/5					

FE Sent For:

<END>

Kreye, Joseph

From: Duerst, Christina
Sent: Monday, December 03, 2007 2:55 PM
To: Kreye, Joseph
Subject: FW: Message for Joe Kreye

From: Buhrandt, Jeff
Sent: Monday, December 03, 2007 2:52 PM
To: LRB.Legal
Subject: Message for Joe Kreye

Bill Drafting Question-

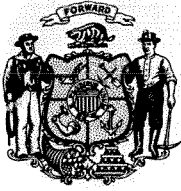
I'd like to have a bill drafted that would transfer \$3 million in unspent tax credits from a fund designated for Airport Development Zones to the Technology Zone Fund. I believe that both of these funds are administered through the Department of Commerce.

That's the gist of it. I'd like to discuss this further with you when you get a chance-

Thanks,
Jeff
6-7511

Jeff Buhrandt
Office of Senator Pat Kreitlow
Wisconsin State Senate - 23rd District
Room 10 South - State Capitol
PO Box 7882
Madison, WI 53703-7882
Phone: 1-888-437-9436
jeff.buhrandt@legis.wisconsin.gov

done in a week or two



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3573/1

JK:.....

Wlj

2007 BILL

in 12-4-07

due Tues 12-11-07

Gen Cat

- 1 AN ACT ...; relating to: the total amount of airport development zone and
2 technology zone tax credits.

Analysis by the Legislative Reference Bureau

Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$9,000,000. Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$5,000,000.

Under this bill, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$6,000,000, and the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$8,000,000.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 560.7995 (3) (b) of the statutes is amended to read:
4 560.7995 (3) (b) When the department designates an area as an airport
5 development zone, the department shall establish a limit, not to exceed \$3,000,000,

BILL**SECTION 1**

1 for tax benefits applicable to the airport development zone. The total tax benefits
2 applicable to all airport development zones may not exceed ~~\$9,000,000~~ \$6,000,000.
3 The department may, after 48 months from the month of any designation under this
4 section, evaluate the area designated as an airport development zone and reallocate
5 the amount of available tax benefits.

History: 2005 a. 487; s. 13.93 (1) (b).

6 **SECTION 2.** 560.96 (2) (b) of the statutes is amended to read:

7 560.96 (2) (b) The designation of an area as a technology zone shall be in effect
8 for 10 years from the time that the department first designates the area. However,
9 not more than ~~\$5,000,000~~ \$8,000,000 in tax credits may be claimed in a technology
10 zone. The department may change the boundaries of a technology zone during the
11 time that its designation is in effect. A change in the boundaries of a technology zone
12 does not affect the duration of the designation of the area or the maximum tax credit
13 amount that may be claimed in the technology zone.

History: 2001 a. 16, 104.

14 (END)



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3573/1

JK:wlj:jf

stays ↑

RM mtr

2007 BILL

in 12-6-07

due Tues 12-11

- 1 **AN ACT** ^{Regen} **to amend** 560.7995 (3) (b) and 560.96 (2) (b) of the statutes; **relating to:**
2 the total amount of airport development zone and technology zone tax credits.
3

Analysis by the Legislative Reference Bureau

Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$9,000,000. Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$5,000,000.

Under this bill, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is ~~\$6,000,000~~, and the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is ~~\$8,000,000~~.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 4 **SECTION 1.** 560.7995 (3) (b) of the statutes is amended to read:

\$10,000,000

BILL

SECTION 1

\$4,000,000

560.7995 (3) (b) When the department designates an area as an airport development zone, the department shall establish a limit, not to exceed \$3,000,000, for tax benefits applicable to the airport development zone. The total tax benefits applicable to all airport development zones may not exceed \$9,000,000 ~~\$6,000,000~~. The department may, after 48 months from the month of any designation under this section, evaluate the area designated as an airport development zone and reallocate the amount of available tax benefits.

SECTION 2. 560.96 (2) (b) of the statutes is amended to read:

560.96 (2) (b) The designation of an area as a technology zone shall be in effect for 10 years from the time that the department first designates the area. However, not more than \$5,000,000 ~~\$8,000,000~~ in tax credits may be claimed in a technology zone. The department may change the boundaries of a technology zone during the time that its designation is in effect. A change in the boundaries of a technology zone does not affect the duration of the designation of the area or the maximum tax credit amount that may be claimed in the technology zone.

(END)

\$10,000,000



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3573/2

JK:wjl:nnw

stays

RMwTR

2007 BILL

in 1-2-08
due
MAY 1-11-08

Under the bill, the Department of Commerce may allocate an additional \$2,000,000 in tax credits to taxpayers in any technology zone for which the \$5,000,000 maximum allocation is insufficient.

Regen

- 1 AN ACT to amend 560.7995 (3) (b) and 560.96 (2) (b) of the statutes; relating to:
- 2 the total amount of airport development zone and technology zone tax credits.

Analysis by the Legislative Reference Bureau

Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$9,000,000. Under current law, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$5,000,000.

Under this bill, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$4,000,000, and the total amount of income and franchise tax credits that taxpayers may claim for conducting business in a technology zone is \$10,000,000.

For further information see the **state** fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- 3 SECTION 1. 560.7995 (3) (b) of the statutes is amended to read:
- 4 560.7995 (3) (b) When the department designates an area as an airport
- 5 development zone, the department shall establish a limit, not to exceed \$3,000,000,

BILL

\$3,000,000

1 for tax benefits applicable to the airport development zone. The total tax benefits
2 applicable to all airport development zones may not exceed \$9,000,000 ~~\$4,000,000~~.
3 The department may, after 48 months from the month of any designation under this
4 section, evaluate the area designated as an airport development zone and reallocate
5 the amount of available tax benefits.

6 SECTION 2. 560.96 (2) (b) of the statutes is amended to read:

7 560.96 (2) (b) The designation of an area as a technology zone shall be in effect
8 for 10 years from the time that the department first designates the area. However,
9 ~~not~~ ^{not} more than ~~\$5,000,000~~ ^{PLAIN} ~~\$10,000,000~~ in tax credits may be claimed in a technology
10 zone. The department may change the boundaries of a technology zone during the
11 time that its designation is in effect. A change in the boundaries of a technology zone
12 does not affect the duration of the designation of the area or the maximum tax credit
13 amount that may be claimed in the technology zone.

14 (END)

No ff

except that the department may allocate an additional
\$ 2,000,000 in tax credits to taxpayers in any
technology zone for which the \$5,000,000 maximum
allocation is insufficient

Kreye, Joseph

From: Buhrandt, Jeff
Sent: Monday, January 07, 2008 2:27 PM
To: Kreye, Joseph
Subject: RE: LRB 3573/3

Joe-

I think the second option is perfect, and I ran it by LFB and they agreed that it addressed the concerns they had about last version.

Let's go with that. Thanks again-

Jeff

From: Kreye, Joseph
Sent: Monday, January 07, 2008 1:26 PM
To: Buhrandt, Jeff
Subject: RE: LRB 3573/3

Jeff,

I think we could address LFB's concern simply by limiting the total amount of additional credits allocated to \$6,000,000 (if that's the target number). In other words the underscored language on page 2, lines 10 to 12 would read something like this: "except that the department may allocate an additional \$2,000,000 in tax credits to any technology zone for which the \$5,000,000 maximum allocation is insufficient, but the total additional amount that the department allocates for all such technology zones may not exceed \$6,000,000."

Another option would be to modify the statutes so that Commerce can reallocate unallocated airport development zone credits to technology zones. Under that option, page 2 line 2 would be modified so that the benefits "may not exceed \$9,000,000, less any amount allocated to technology zones under s. 560.96 (2) (b) and except that total amount allocated to all technology zones under s. 560.96 (2) (b) may not exceed \$6,000,000." The underscored language on page 2, lines 10 to 12 would then read "except that the department may allocate the amount of unallocated airport development zone tax credits, as provided under s. 560.7995 (3) (b), to technology zones for which the \$5,000,000 maximum allocation is insufficient."

You may want to share these options with fiscal bureau or Commerce.

Let me know what you think,

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Buhrandt, Jeff
Sent: Monday, January 07, 2008 12:55 PM
To: Kreye, Joseph
Subject: RE: LRB 3575

Joe-

LFB seems to think that under the current language there will be potential for a bigger fiscal impact. What about creating a

state wide zone in the tech zone program for applicants who reside in districts that have run out of tax credits? Making it the 9th tech zone, and authorizing it at \$5 million?

This would be a defined amount, which I think would address the major concerns we've heard.

Let me know what you think and thanks again for your patience on this.

Jeff

From: Kreye, Joseph
Sent: Monday, January 07, 2008 12:18 PM
To: Buhrandt, Jeff
Subject: RE: LRB 3575

Jeff,

Are suggesting that taxpayers would have to file new applications to receive more tax credits?

As far as clarity goes, I don't know what else I can do: the bill obviously decreases the amount allocated for airport zones and increases the amount allocated for technology zones.

Have you sought advice from anyone at Commerce as to how to best achieve your intent?

Joe

Joseph T. Kreye
Senior Legislative Attorney
Legislative Reference Bureau
(608) 266-2263

From: Buhrandt, Jeff
Sent: Monday, January 07, 2008 9:16 AM
To: Kreye, Joseph
Subject: LRB 3575

Joe-

It looks like we need to add a little more definition to the tax credit bill we've been working on. Could we add language that makes it clear that we are moving \$6 million from the airport zone program to the technology zone program for the purpose of increasing the authorized amounts for zones that run out of tax credits. I think the best way to set it up is to allow applicants located within zones that run out of tax credits to apply for funding directly from this "new" \$6 million. Is this possible?

Thanks again for all of your hard work on this. I hope this version works-

Jeff

Jeff Buhrandt
Office of Senator Pat Kreitlow
Wisconsin State Senate - 23rd District
Room 10 South - State Capitol
PO Box 7882
Madison, WI 53703-7882
Phone: 1-888-437-9436
jeff.buhrandt@legis.wisconsin.gov



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-3573/8

JK:wlj:pg

Stays

4
RK mtr

2007 BILL

the amount of unallocated airport development zone

in 1-7-08

due wed 1-9

Regen

- 1 AN ACT ~~to amend~~ 560.7995 (3) (b) and 560.96 (2) (b) of the statutes; **relating to:**
2 the total amount of airport development zone and technology zone tax credits.

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Under this bill, the total amount of income and franchise tax credits that taxpayers may claim for conducting business in all airport development zones, for all taxable years, is \$3,000,000. Under the bill, the Department of Commerce may allocate an additional \$2,000,000 in tax credits to taxpayers in any technology zone for which the \$5,000,000 maximum allocation is insufficient.

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4 560.7995 (3) (b) When the department designates an area as an airport
5 development zone, the department shall establish a limit, not to exceed \$3,000,000,

except that the total amount allocated from the airport development zone program to all technology zones may not exceed \$6,000,000

BILL

plain

1 for tax benefits applicable to the airport development zone. The total tax benefits
 2 applicable to all airport development zones may not exceed ~~\$9,000,000~~ ~~\$3,000,000~~.

3 The department may, after 48 months from the month of any designation under this
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 5 the amount of available tax benefits.

6 SECTION 2. 560.96 (2) (b) of the statutes is amended to read:

7 560.96 (2) (b) The designation of an area as a technology zone shall be in effect
 8 for 10 years from the time that the department first designates the area. However,
 9 ~~not~~ Not more than \$5,000,000 in tax credits may be claimed in a technology zone,
 10 ~~except that the department may allocate an additional \$2,000,000 in tax credits to~~
 11 ~~taxpayers in any technology zone for which the \$5,000,000 maximum allocation is~~
 12 ~~insufficient.~~ The department may change the boundaries of a technology zone during
 13 the time that its designation is in effect. A change in the boundaries of a technology
 14 zone does not affect the duration of the designation of the area or the maximum tax
 15 credit amount that may be claimed in the technology zone.

16 (END)

the amount of unallocated
airport development zone tax
credits as provided under
so 560.7995 (3) (b) to

less any amount allocated to
technology zones under so 560.96 (2) (b)
and except that the total amount
allocated to all technology zones
under so 560.96 (2) (b) may not
exceed \$6,000,000

Basford, Sarah

From: Saxler, Charles
Sent: Monday, February 04, 2008 1:23 PM
To: LRB.Legal
Subject: Draft Review: LRB 07-3573/4 Topic: Reallocating airport development zone and technology zone tax credits

Please Jacket LRB 07-3573/4 for the SENATE.